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*Vigorous push, with still halting progress, toward a centralized intelligence.*

## WITH VANDENBERG AS DCI

Arthur B. Darling<sup>1</sup>

### Part I: Some Functions Centralized

Lieutenant General Hoyt S. Vandenberg, installed as Director of Central Intelligence on June 10, 1946, brought to the Central Intelligence Group the prestige of high rank in the Army, prominence before the public, and forthright determination to take responsibility. He and his predecessor Admiral Souers agreed that the time had come when CIG should begin to perform certain operations in the national system of intelligence. The initial organization and planning had been done. It was time to develop the power latent in the duties which the President had assigned to the Director of Central Intelligence.

His experiences of the past six months as Army representative on the Intelligence Advisory Board<sup>2</sup> had convinced General Vandenberg that to fulfill those duties he must be able to get the necessary personnel without having to wait upon the will of the departments to supply them. He must have operating funds to expend as he chose without dependence upon or accountability to some other agency. He was certain that CIG could not meet its primary obligation to produce strategic intelligence unless it had better arrangements for collecting the raw materials and had means to conduct the initial research and analysis necessary for the production of estimates. It should not have to rely entirely upon contributions from the departments.

#### DCI and IAB

Vandenberg wished the DCI to be the executive officer of the National Intelligence Authority.<sup>3</sup> While the President kept him in

<sup>1</sup> Adapted from a history of the Central Intelligence Agency prepared by the author in 1953. For preceding installments see *Studies* VIII 3, p. 55 ff, X 2, p. 1 ff, and XII 1, p. 55 ff.

<sup>2</sup> First predecessor of the USIB.

<sup>3</sup> Predecessor of the National Security Council.

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the office, he would have command of CIG's functions. This was quite different from thinking of CIG as a "cooperative interdepartmental activity."<sup>4</sup> We meet again as in the days of the Office of Strategic Services the fundamental concept of individual responsibility in conflict with the principle of collective responsibility. Members of the Intelligence Advisory Board, representing the intelligence services of the departments, were immediately aware of the change.

As Vandenberg expressed it, the IAB had the right to give him advice, either in concurrence or dissent. He would accept such counsel, listen to argument, and consider new facts; but he would make up his own mind and determine the DCI position himself. He would not block a dissenting view, but it could not become the official DCI position even if it were the unanimous opinion of the IAB. Only his superiors in the NIA would have a right to prefer the dissent to his own decision. He was individually responsible, through the NIA, to the President.

There was solid ground in the President's Directive which had set up the CIG on the preceding January 22 for this interpretation of the powers of the DCI. But acceptance of it by the chiefs of intelligence on the IAB was most unlikely. Theirs was the counter-theory of collective responsibility. The CIG was to them a cooperative interdepartmental enterprise in which, for all matters of deliberation and decision, they were the representatives of the departments and therefore the equals of the DCI. If he was not merely their executive secretary, he was no more than their chairman.

A memorandum of June 20 in which Vandenberg set forth his program created such a stir that it was revised before the IAB meeting of June 28. The original text with his signature declared that the DCI "should not be required to rely solely upon evaluated intelligence from the various departments." He should have authority to undertake within CIG such basic research and analysis as in his opinion might be required to produce the necessary strategic and national policy intelligence. This would require the centralization of activities that were the concern of more than one agency; existing organizations of the State, War, and Navy Departments, including their funds, personnel, and facilities, would be "integrated into the Central Intelligence Group as a central service." There was no mention of the IAB.

Reactions ranged from insistence that any IAB member should have virtual veto rights over the DCI's choice of subjects for research

<sup>4</sup> Cf. Souers' approach, *Studies* XII 1, pp. 55-56.

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to a demand that he consult the appropriate members of the IAB whenever he planned central activities of "common, but secondary interest" to two or more departments. The veto right would have destroyed the function of the DCI and ruined the IAB itself. Even the requirement that he consult regarding activities of "common, but secondary" interest would place him at the mercy of the intelligence officers in the departments; there would be very few instances where they thought an activity so secondary that it could be wholly relinquished to CIG. We are to hear more of this requirement later.

*Fifth NIA Directive: R&A*

Vandenberg well understood the meaning of the turmoil over his proposals. Regretting that the original version had caused it, he accepted revisions designed to treat CIG's research and analysis as supplementary to the work of the departments. He discarded altogether the stipulation that departmental funds, personnel, and facilities be "integrated" into CIG. His primary purpose, he told the IAB on June 28, was to get the staff necessary to do the job of assisting the Departments of State, War, and the Navy. He wished to find where their intelligence activities stopped short; he wanted to meet the deficiencies and fill the gaps. But he did not give up his intention to engage in the initial research and analysis requisite to the production of strategic and national policy intelligence.

William L. Langer, as he spoke for the Department of State, must have had memories of his old Research and Analysis Branch in the Office of Strategic Services, where it had been both guide and customer of Secret Intelligence. But having succeeded Alfred McCormack as head of State's division of Research and Intelligence, he had to present the case for that organization. He doubted that it was necessary for CIG to engage in extensive research and analysis, he said; only when the departments could not do the work might CIG be specifically authorized to do it. It should undertake only such research and analysis as might be necessary to determine what functions were not being performed adequately in the fields of national security intelligence.

With respect to consultations with individual members about R&A, Langer saw danger therein to the "solidarity" of the IAB, which must be maintained to give moral support to the Director. He thought it difficult, if not useless, to try to distinguish between the primary and secondary interests of the departments; CIG should be authorized

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to assume what research and analysis might be accomplished better by a central agency. In the end, he had to defer to the individual member; the IAB could not act by majority vote. The decision to undertake R&A would be made by the DCI and the appropriate member or members of the IAB. This was the provision as it was finally adopted and included on July 8 in the fifth directive of the National Intelligence Authority.

There were decided opinions for and against this compromise between the DCI and the IAB. One extreme view was that he should have left research and evaluation entirely with the departments. But if he had done so, any office which he might have created to bring their products together would have been no more than a stapling device to put the departmental papers in one bundle. There would have been no analysis, no synthesis into a national estimate.

Another view was that he should have insisted upon taking over the whole function from the Department of State and performing it as a common service for all departments and agencies as well as producing "strategic and national policy intelligence." But even if State had been willing to allow this, which was most unlikely, it would have required a staff and equipment beyond any that CIG could hope to obtain from the departments for some time to come. Though possessed of the right, General Vandenberg would not have been able to use it.

Being a practical man inclined to action, he thus withdrew the provisions in his first draft which seemed so obnoxious that they might defeat his purpose and accepted changes to mollify the IAB. But he retained the principle: there was to be within the Central Intelligence Group the research and analysis which it had to have, regardless of any duplication or overlapping with the departmental services. He took what he could get; if that were established, more would come in time.

#### *Coordination; Espionage; Support*

Following this check by the State Department, the representatives of the Army and Navy also made reservations which were adopted by the IAB and included in the draft fifth NIA directive. Vandenberg had asked that the DCI be authorized to act as the "executive agent of this Authority in coordinating and supervising all federal foreign intelligence activities related to the national security." As

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changed by the IAB on June 28, the directive stipulated merely that he should act as the agent of the NIA in coordinating such activities.

The two significant omissions were the adjective "executive" agent and the participle "supervising." Vandenberg's original phrasing had seemed to infringe upon the responsibility of the IAB members, who were each supposed to be responsible for executing within their own departments the recommendations of the NIA. The DCI might engage in coordinating, but not in supervising the intelligence activities of the departments. His right of inspection was also involved; how to coordinate departmental activities without inspecting and supervising them was a question of dispute between the DCI and IAB for months. Admiral Hillenkoetter had not yet resolved it in 1949 when the Dulles report called for leadership without the power to coerce.

Vandenberg's draft provided that all espionage and counterespionage abroad be conducted by the DCI. But as revised by the IAB on June 28 it carefully stated that he should conduct only "organized Federal" operations and only those outside the United States and its possessions. This change was of course designed to assure that the military intelligence services might continue incidental operations for their own purposes and to protect the FBI's jurisdiction within the United States.

The fifth section of Vandenberg's draft dealt with funds, personnel, and facilities for CIG. The departments upon his request were to provide such funds and facilities to the extent of available appropriations and within the limits of their capabilities. He would submit a supplemental budget at the earliest practicable date. The IAB revision in this section provided that the departments should continue to have the decision in regard to such funds apportioned to the CIG.

The proposed directive as thus amended by the IAB went to the members of the National Intelligence Authority individually on June 29. The Secretaries of State, War, and the Navy approved it without change. But Admiral Leahy, representing the President, objected to the description of the DCI as "agent" of the NIA in the paragraph concerning the coordination of foreign intelligence on the grounds that it might imply unwarranted freedom for him. General Vandenberg agreed that the possibility of such an interpretation was not desirable, and the paragraph was reworded to authorize the DCI to "act for" the NIA. With this last change, Vandenberg's proposal became on July 8 the fifth directive of the National Intelligence Authority and took its place next to the President's Directive of the

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preceding January 22 as the most important of the instructions to the Director of Central Intelligence.

General Vandenberg had not obtained all that he sought in this first endeavor to strengthen the CIG. But he did have authority now to determine what R&A activities were not being performed adequately and to centralize these in CIG with the consent of the department concerned. He could act for the NIA in coordinating all departmental intelligence activities. He could perform two services of common usefulness—all organized federal espionage and counterespionage abroad for the collection of foreign intelligence, and all federal monitoring of the press and broadcasts of foreign powers. He had a clearer statement regarding the allotment of funds from the departments and the supplemental budget which he desired.

#### *Funding*

On July 17, Vandenberg went before the National Intelligence Authority in its first meeting since he had taken office to argue that the DCI must have independent funds and the right to hire his own people. Citing the conclusions of Admiral Souers' final report,<sup>5</sup> he said it was extremely difficult to secure the necessary personnel by requisition from the departments. The DCI should have independent hiring power. Eventually, he knew, this would mean that central intelligence should become an agency established by act of Congress.

Secretary Byrnes demurred on the ground that the NIA had been created intentionally to avoid any need for an independent budget. The statement was historically inaccurate. The governing body composed of the departmental secretaries and the President's representative had been conceived as a better institution than a single director reporting to the President as proposed in Donovan's plan. The conception was not concerned with the budget. Nor was the question of the budget uppermost when the Army and Navy pushed the NIA concept in order to keep the State Department from taking charge under McCormack's plan. But Secretary Patterson now agreed with Byrnes, explaining that the amount of money spent on central intelligence should be concealed for reasons of security.

General Vandenberg interposed that such considerations ought to be balanced against the administrative difficulties they caused. For him the important thing was to have an effective and efficient organization. At this point Admiral Leahy, representative of the President,

<sup>5</sup> See *Studies* XII 1, p. 73 f.

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remarked that it had always been understood that CIG would eventually broaden its scope. He was about convinced, he said, that the NIA should now endeavor to obtain appropriations. They should be small, of course, as the three departments would continue to furnish the bulk of the funds.

Patterson still thought that the administrative problems might be solved under the existing arrangement. Byrnes too thought that the departments might find a way to give the CIG whatever money it had to have. There was further discussion, in which Langer endorsed a suggestion from Admiral Leahy that funds might be separated from personnel actions. The money might be allotted from the funds of the departments without an independent appropriation for CIG, but the DCI, for reasons of security as well as efficiency, be given full charge of selecting and directing his personnel.

The discussion went on to consider the relationship with Congress and its eventual legislation. General Vandenberg stressed that CIG was not an agency authorized to disburse funds. Even if it had sufficient funds from the departments, it would be obliged to maintain disbursing officers and auditors in all three departments besides the necessary accounting staff in CIG. Thus four fiscal operations were required where one really would suffice. All of this pointed to the necessity for making central intelligence an agency authorized to control its own purse. Secretary Byrnes undertook to discuss the matter with officials in the Bureau of the Budget and report back to the NIA.

General Vandenberg meanwhile made a brief report on his progress to date. CIG was about to take over the Foreign Broadcast Intelligence Service and all clandestine activities in foreign intelligence. He had set up an Office of Special Operations to direct them. He expected soon to have other offices in good working order—Collection, Dissemination, and Research and Evaluation. CIG was receiving requests almost daily to assume other functions being performed by various committees of the State, War, and Navy Departments.

He was establishing an Interdepartmental Coordinating and Planning Staff.

This significant meeting of the National Intelligence Authority came to an end with the feeling expressed by Secretary Patterson that all of General Vandenberg's immediate problems would be solved if the

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Secretary of State could obtain help from the Bureau of the Budget. Vandenberg put it more explicitly: he needed money and the authority to spend it, the authority to hire and fire. But he must have left the meeting with his mind turning over a remark Admiral Leahy had made about the intent of the President.

Leahy said he was convinced that CIG should have funds for which it did not have to account in detail. The President, however, had authorized him to "make it clear" that the DCI was "not responsible further than to carry out the directives" of the National Intelligence Authority. The President would hold the Cabinet officers in the NIA "primarily responsible for coordination of intelligence activities." Were the secretaries then to see to it that their decisions in the NIA were obeyed in their departments whether or not those decisions were popular? General Vandenberg, anyhow, was to know that he should not become another General Donovan seeking an independent directorate.

In immediate consequence of Vandenberg's urging, a letter of July 30 from the National Intelligence Authority to the Secretary of the Treasury and the Comptroller General requested the establishment of a "working fund" for CIG. This fund, containing the allotments from State, War, and the Navy, was to be subject to the administration of the DCI or his authorized representative for paying personnel, procuring supplies and equipment, and the certification of vouchers.

The establishment of the fund was approved, and a second letter to the Comptroller General, signed by each member of the National Intelligence Authority, gave on September 5 the authorization to administer it. The DCI now had "full powers" to determine the "propriety of expenditures" from the working fund under the policies established by the NIA. He was to arrange with the Comptroller General the procedures and controls necessary for proper accounting. Once the allotments from the departments were in the working fund, Vandenberg had authority and the resources to maintain a staff and facilities for CIG on his own responsibility as DCI. But he still could not be sure that his allotment from a department would not be cut. He protested to congressional committees that CIG should have an independent budget.

#### *New Broom*

CIG had taken on a military character in spite of Admiral Souers' efforts to include State representation in the "cooperative activity."

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He had been successful in obtaining some men who had had experience as civilians before going into uniform during the war, but for the most part he was obliged to rely upon those who thought of the Army or Navy as a career. The distinction between regular and reserve officers, if seldom expressed, was always present. Seven years later CIA still echoed with talk of the colonels who arrived with General Vandenberg and took over from others who for one reason or another did not measure up to his standards.

One must not overstress the military-civilian conflict; there doubtless were varied reasons for changing personnel. But neither should it be ignored altogether. It entered as a fact into the deliberations of Congress on the legislative provisions for the future of central intelligence, just as it had embittered the argument between the State Department and the armed services prior to the establishment of the CIG.

Colonel Fortier was relieved as Assistant Director and Acting Chief of Operational Services on July 11, and Colonel Donald H. Galloway became Assistant Director for Special Operations. Captain Goggins was moved from his post at the head of the Central Planning Staff to be Galloway's deputy. Kingman Douglass, no longer Acting Deputy Director of Central Intelligence, became "B" Deputy and Chief of Foreign Commerce under Colonel Galloway. On the understanding that there should be no one between them, Colonel E. K. Wright had moved with Vandenberg, as his Executive, from G-2 to CIG. Colonel John A. Dabney accompanied Wright as his Assistant. There was no Deputy Director of Central Intelligence until Colonel Wright was so appointed on January 20, 1947.

Colonel William W. Quinn, who had succeeded General Magruder as Director of the Strategic Services Unit, was also placed under Colonel Galloway as Executive for Special Operations, perhaps to facilitate the liquidation of the SSU. The SSU's Secret Intelligence and Counterespionage branches had been consolidated in a temporary organization of the War Department named the Foreign Security Reports Office, and the head of this office, Stephen B. L. Penrose, now became "A" Deputy under Galloway to take charge of secret intelligence and counterespionage in the new Office of Special Operations.

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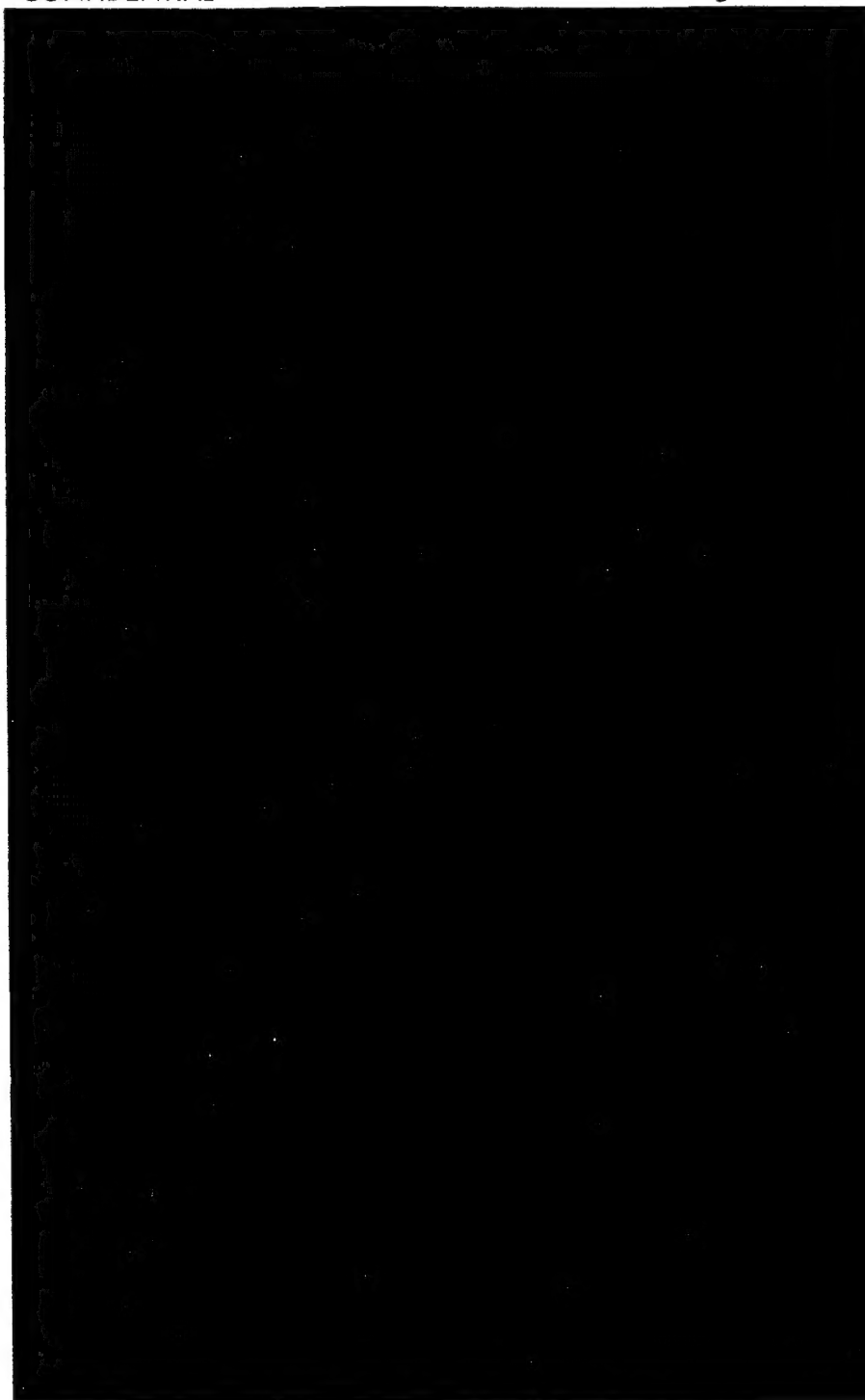
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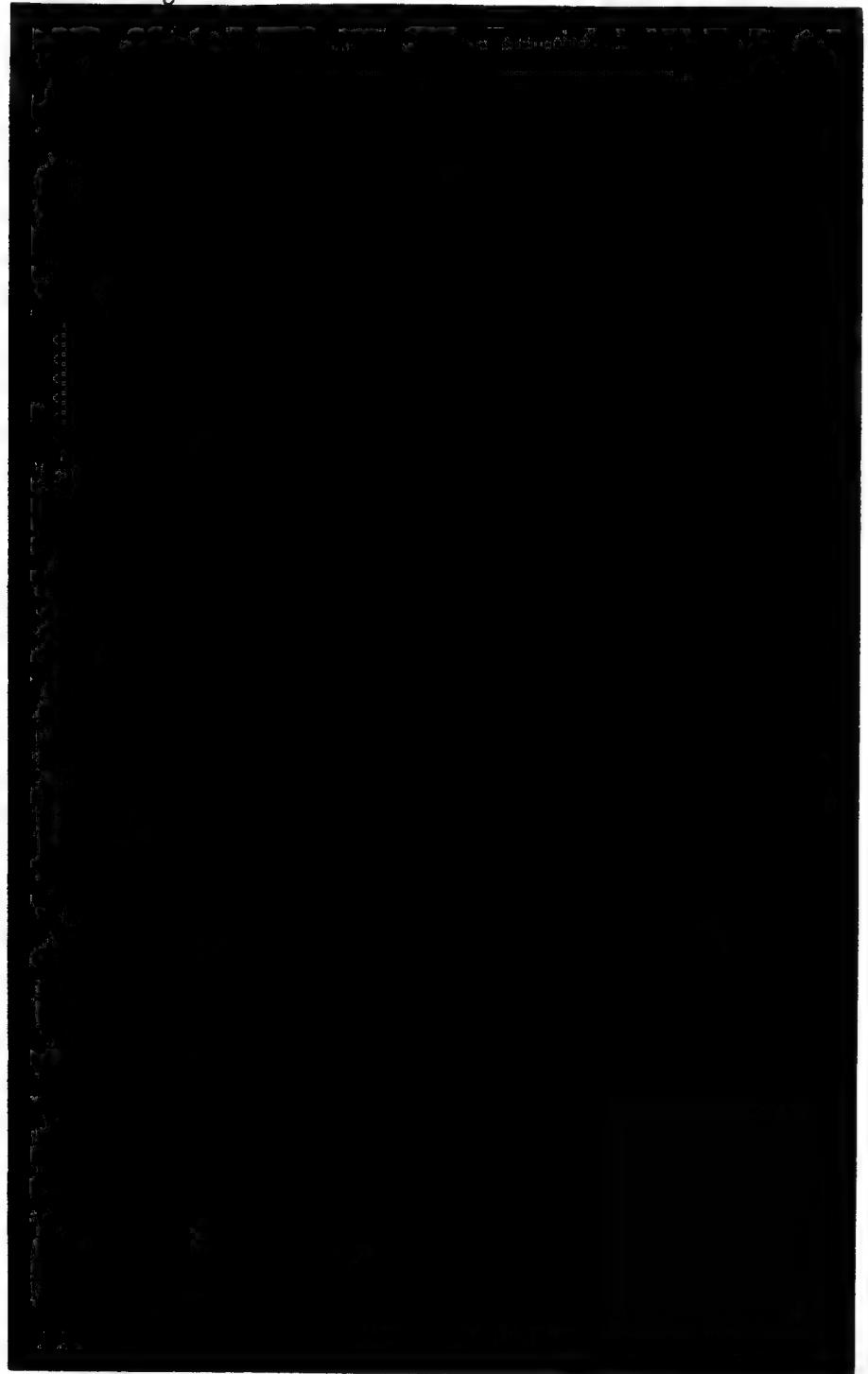
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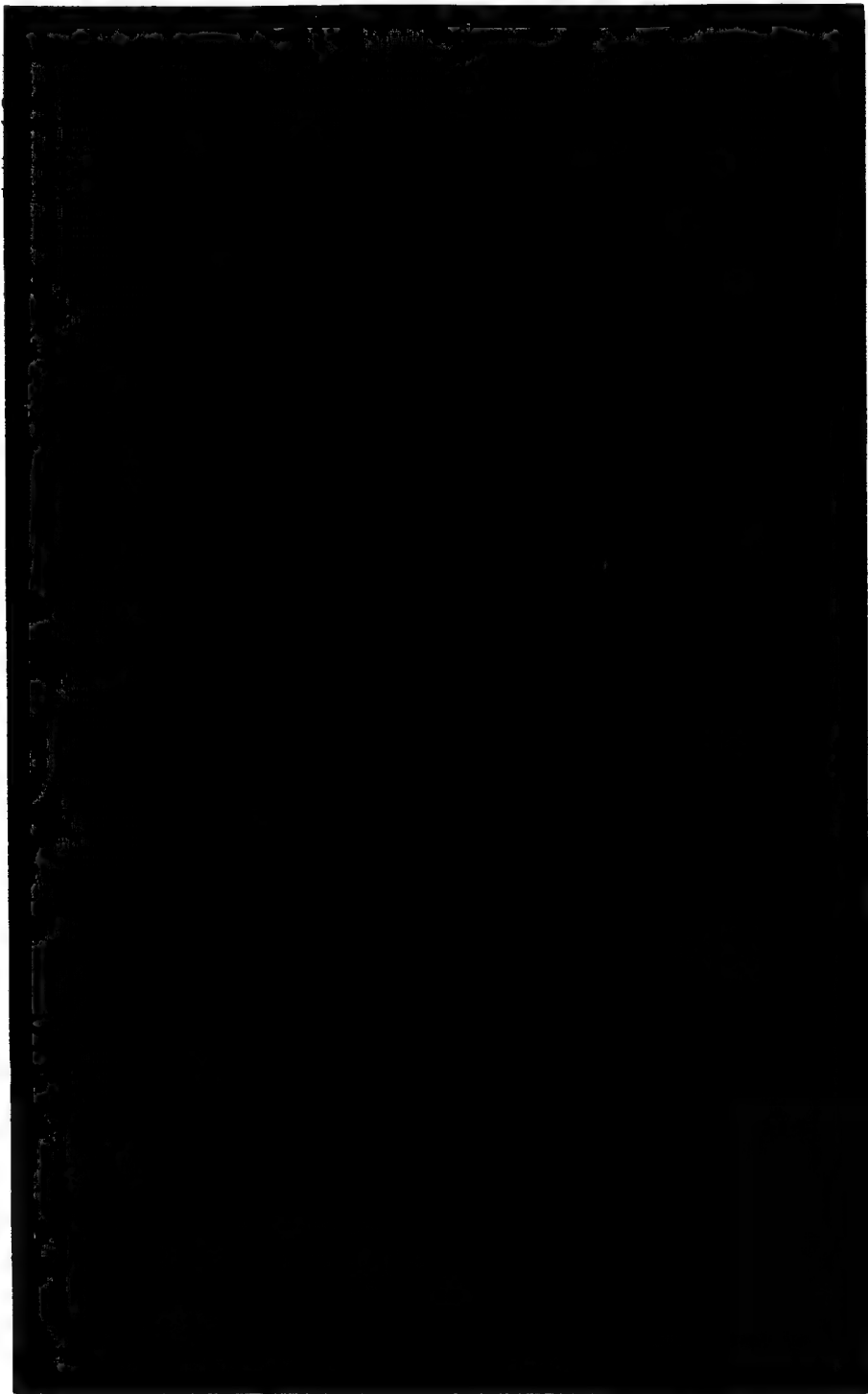
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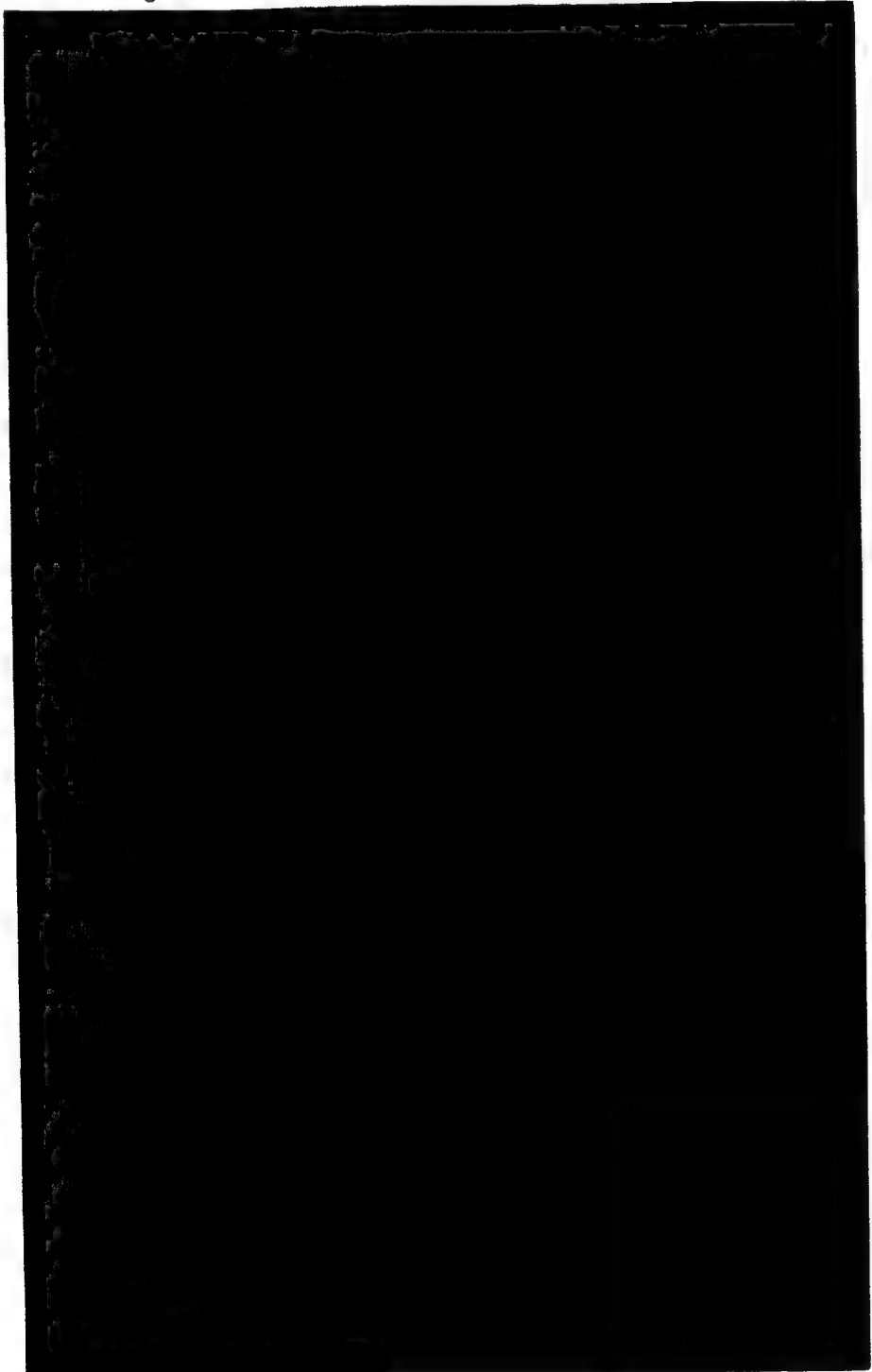
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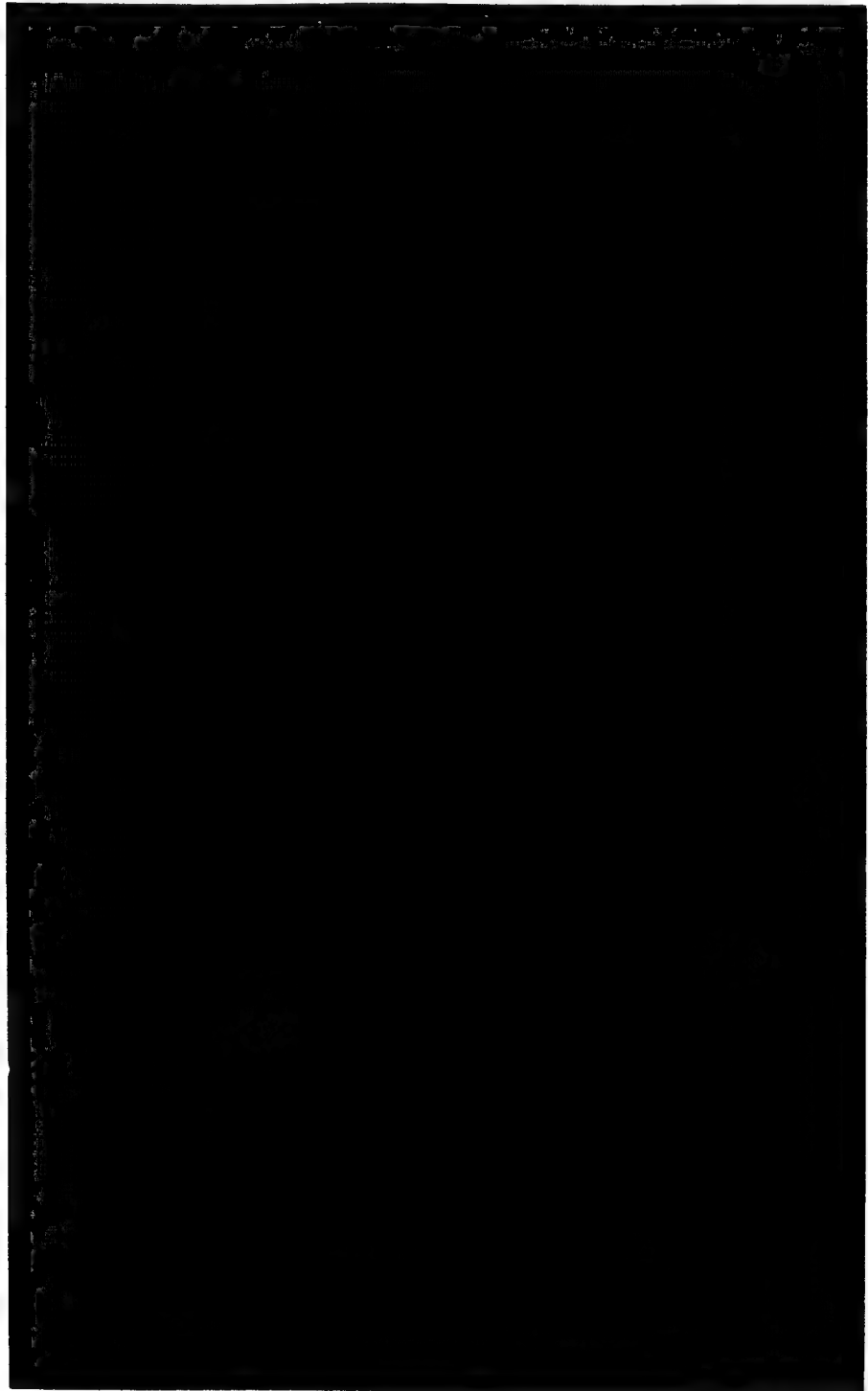
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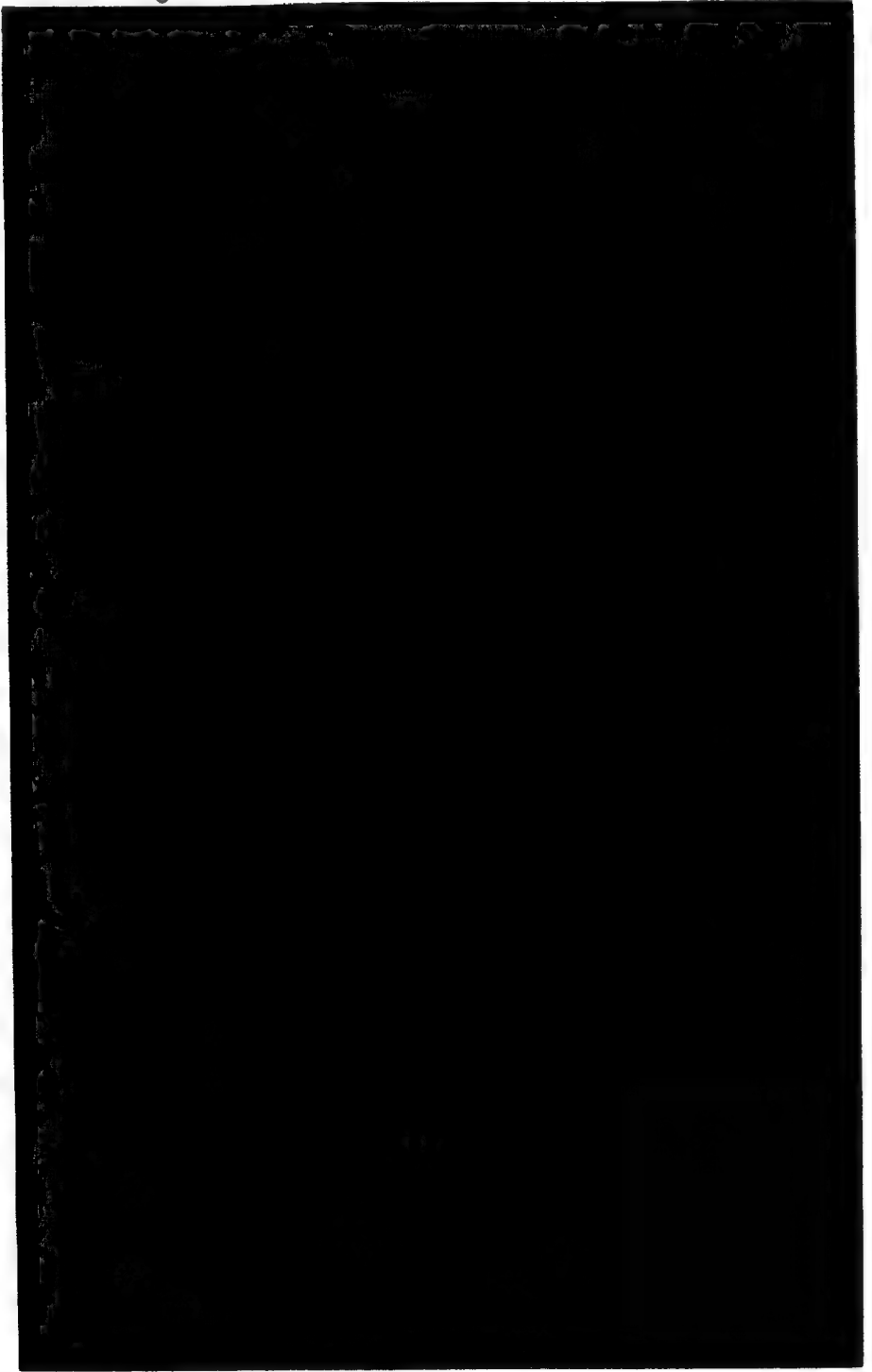
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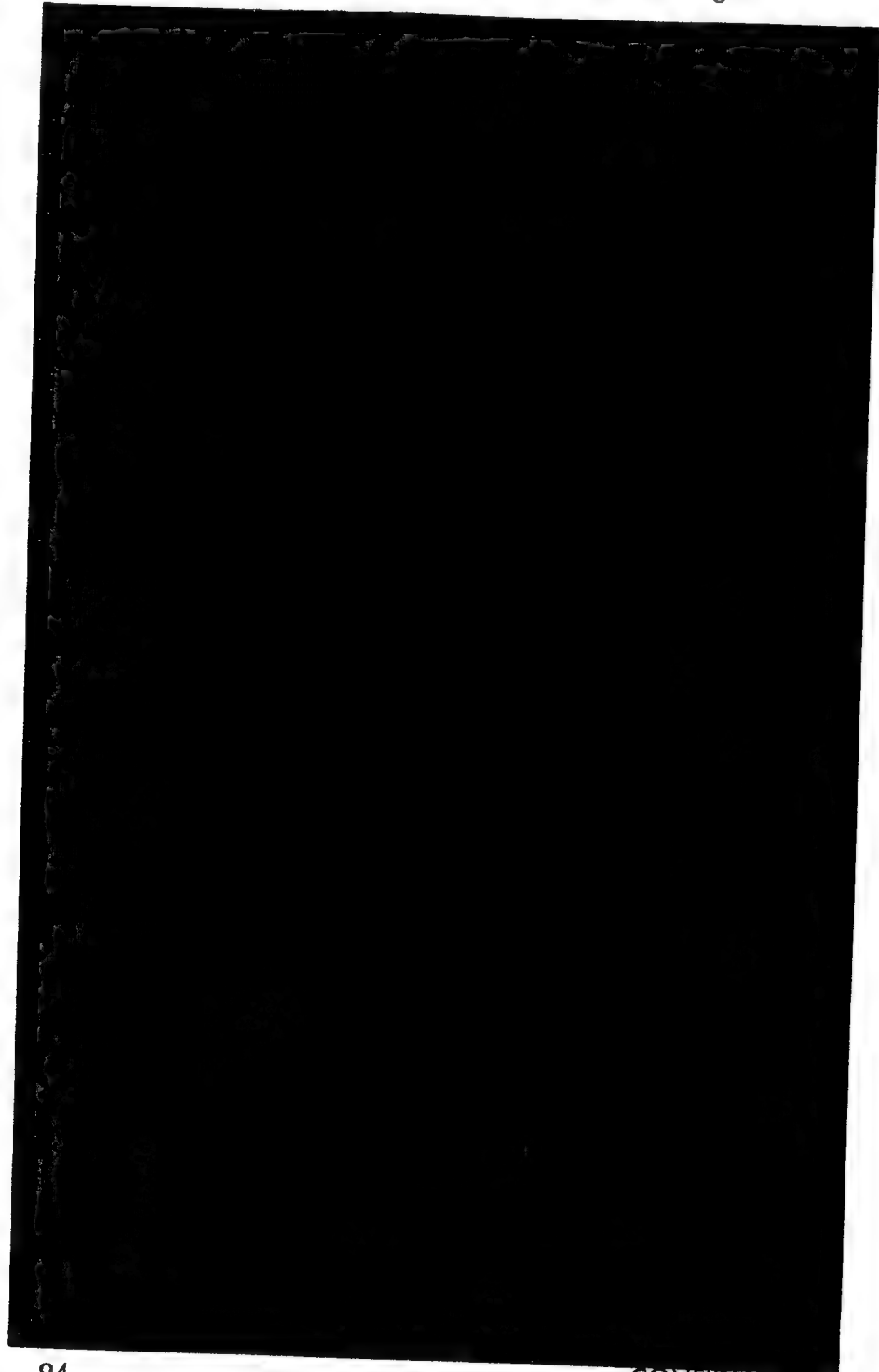


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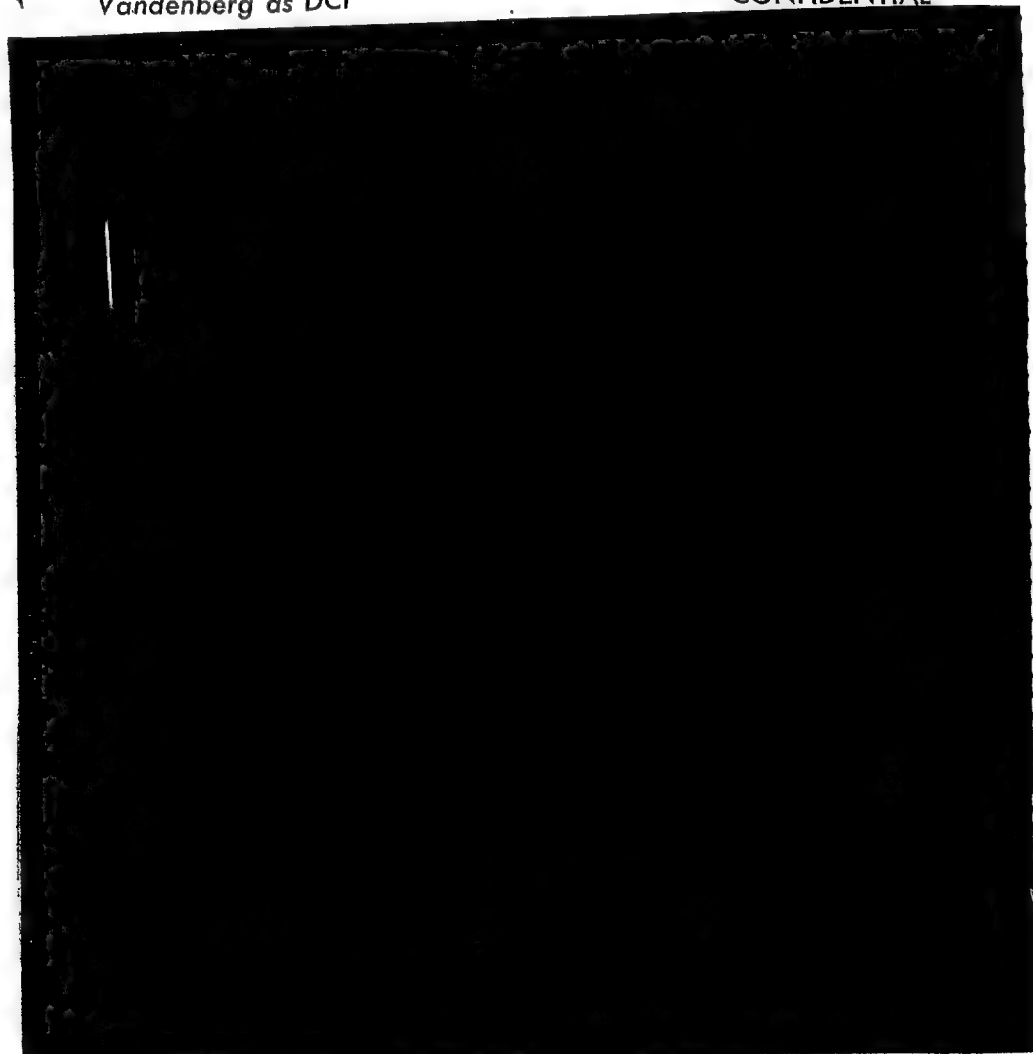
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Vandenberg reported to the IAB on October 1 that he had reached agreement with Director Hoover of the FBI. CIG would not interfere with the Bureau's control over subversive activities in this country. And so the directive with regard to overt collection of foreign intelligence within the United States was adopted that day by unanimous consent. General Vandenberg, in a change of plan, proceeded to organize an Office of Operations to carry it out.

Kingman Douglass meanwhile had withdrawn from the CIG, and General Sibert was to take charge of all collection, clandestine and overt. As he arrived to do so, however, Vandenberg listened to the plea that secret collection should be kept separate under Colonel

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Galloway in the Office of Special Operations. The staff of his "B" Deputy and Chief of Foreign Commerce, renamed the Commercial Contact Branch, was placed in the new Office of Operations to do the work of collecting foreign intelligence in this country. With it there was joined a Foreign Broadcast Information Branch to take over that service from the Army. A Foreign Documents Branch was added later, in December. General Sibert became Assistant Director for Operations on October 17, 1946.

#### *Toward Estimates*

By the President's Directive of January 22, 1946, the DCI was to accomplish the correlation and evaluation of intelligence relating to the national security, and he was to disseminate the resulting "strategic and national policy intelligence" within the Government. The first NIA directive, on February 8, spelled out this function, specifying that he was to utilize all available intelligence and note in his reports any substantial dissent by a participating agency. The second NIA directive, of the same date, stipulated that the departments were to assign personnel to the CIG, including members of a Central Reports Staff to assist him in that function. The fifth NIA directive, of July 8, authorized him to undertake such research and analysis as the departments were not performing adequately and might better be accomplished centrally.

By this time Vandenberg had the nucleus of his analytic organization already at work in the Central Reports Staff, producing current intelligence in Daily and Weekly Summaries. Its chief, L. L. Montague, had had wartime experience in strategic intelligence under the Joint Chiefs of Staff and was prepared to establish a national estimating board of representatives from the intelligence agencies of the departments as soon as qualified persons could be obtained to give their full time. In expanding this staff to a new Office of Research and Evaluation, however, Vandenberg deferred to the Department of State's particular interest in producing intelligence for national policy and asked it to choose a Foreign Service officer to head the activity. State selected Mr. J. Klahr Huddle to be the Assistant Director in charge of Research and Evaluation. Huddle's deputy, selected according to custom from a different department, was Captain A. H. McCollum of the Navy.

Montague would remain as Chief of the Intelligence Staff to carry on the production of estimates, but for the time being would also act

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as Assistant Director to set up the new ORE in accordance with Vandenberg's order of July 19. He issued an administrative instruction on August 7 with a program of enlargement as funds and personnel became available. There were to be added a Library, an Information Center, and a Plans and Requirements Staff. The latter would do further organizing in consultation with the other units of the Office. The Information Center was to receive intelligence materials for the Office and send out the products of its research and evaluation. The Library, first established in ORE where its resources would be handy to the persons with the most use for them, was moved later to the Office of Collection and Dissemination. The geographic branches for Eastern Europe and the Middle East were temporarily consolidated in one. Montague's administrative order expressly stated that the Reports Staff, to be renamed the Intelligence Staff, would direct and coordinate the activities of the regional branches in producing strategic and national policy intelligence. There was to be trouble over this disposition.

Vandenberg had no sooner created ORE than he ordered it to produce its first estimate, a crash assessment of Soviet worldwide intentions and capabilities. Montague received Vandenberg's request on Friday, with a deadline for the following Tuesday morning. There was no staff to produce it; Central Reports had not been able to get from the departments the personnel to put its Estimates Branch into operation. There were not enough people available even to assign the editorial assistants needed by the Defense Project.<sup>6</sup> Montague himself was the only one in ORE with extensive experience in estimating. Fortunately there was material available in reports and papers from the Joint Intelligence Staff of the Joint Chiefs (on which Montague had represented the Army during the war) and brought up to date in connection with the Defense Project.

Montague spent Saturday until 9 P.M. and Sunday into Monday at 3 A.M. studying the reports and papers, reading cables from Ambassador Kennan in Moscow, drawing the determinant factors together, and formulating the conclusions which on Monday afternoon at two he submitted to representatives of the departments and the Joint Chiefs of Staff. Following their comments, he spent the rest of Monday until midnight revising his paper and checking it with the

<sup>6</sup> Predecessor of the NIS on the USSR; see *Studies* XII 1, p. 63 ff.

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report of an ad hoc committee working on the same question for the JCS. The clerical work was finished and the estimate delivered to Vandenberg Tuesday afternoon.

*Part II, "Coordination in Practice," will  
be carried in a future issue.*

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#### *Clandestine Operations*

Colonel Galloway admonished his subordinates in OSO that they were to reduce to the minimum their associations with people from

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State, War, and the Navy and handle this minimum through a Control Officer. They were to carry on nothing but official business with other offices of CIG. Vandenberg, Wright, and Galloway wanted OSO to be as free as possible from connections which might expose its affairs. They believed that its operations should be kept apart from the observation and influence of the departmental chiefs of intelligence in the IAB; these were different from other "services of common concern" to the departments. OSO had to keep in touch with agencies which used its product, and it was authorized on October 25 to receive requests for information or action from those agencies through its Control Officer. But if Vandenberg and his assistants could prevent it, their operation of collecting foreign intelligence by clandestine means was not to gain the reputation for free wheeling and self-exposure which he ascribed to the Office of Strategic Services.

Schedules were established in July and arrangements made for taking over SSU staff personnel, agents, and foreign stations during the fall. On September 12 Vandenberg notified the Secretary of War that all activities of SSU would end as of October 19. This date was not met because of delays in security clearances and a shortage of persons to do the clerical work; but by April 11, 1947, the services of all civilians had been terminated, military personnel had been reassigned, and foreign stations had ceased to be SSU installations. There were funds adequate to meet outstanding obligations. Some claims and inquiries would continue, a few indefinitely, but officers on duty with CIG would be familiar with them.

Colonel Galloway applied himself to European affairs as the United States and Britain joined economically their zones in Germany. Captain Goggins concentrated on the Far East; he left soon for Tsingtao, where he arranged with the commander of the Seventh Fleet to support the old OSS mission known as External Survey Detachment No. 44. General Vandenberg had been anxious to keep this going for the Army in China. Its usefulness for both overt and clandestine intelligence in China, Manchuria, and the hinterland which it could penetrate was greater now than ever as the Communist Chinese increased their Manchurian operations in the summer of 1946 and tension over Korea grew.

Stopping in Tokyo on the way home, Captain Goggins reached tentative agreement for cooperation between CIG and General MacArthur, who, we will recall, once had no room in his plans for the Office of Strategic Services.

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[REDACTED]

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Captain Goggins had to postpone for discussion with Vandenberg the issue whether these CIG installations should be under the command of General MacArthur and Admiral Cooke of the Seventh Fleet. Vandenberg, when the matter came before him, declined on the grounds that these were not military activities. He was responsible to the National Intelligence Authority and could not take orders from MacArthur and Cooke.

[REDACTED]

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Douglass and Jackson were also to find out if General Edwin L. Sibert, chief of intelligence on General McNarney's staff, could be assigned to CIG. The thought was that General Sibert should become Deputy Director under Vandenberg and eventually might succeed him as DCI. He was to have charge of all collection, both clandestine and overt.

[REDACTED]

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[REDACTED] During the course of his stay he had conversations which added meaning to the report by Douglass and Jackson. [REDACTED]

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The full results of the Douglass-Jackson mission of August 1946 did not come until later, when Bedell Smith was DCI. But the report at the time had value for General Vandenberg. It showed the difficulties SSU had had [REDACTED] while it was in competition with the intelligence services of the Army, Navy, and FBI. There was need for a single collecting agency [REDACTED]

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Douglass and Jackson returned with a careful description of the [REDACTED] which had been organized [REDACTED] since Jackson's 1945 report. It has been called the first institution of its kind actually to administer services of common usefulness to other departments and governmental agencies, and as such has influenced similar institutions here. [REDACTED] Divided into geographic and functional sections, it was to engage in economic, political, geographic, and scientific intelligence research. It would farm some work out to the universities and professional organizations. The intention was that ultimately the [REDACTED] military organizations should each retain only the intelligence work related "clearly and almost exclusively" to the particular service.

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The collection of intelligence, however, would not be centralized [REDACTED] [REDACTED] Military, naval, and air attachés were to be maintained as before, and secret intelligence handled separately. [REDACTED] would undertake collection from overt sources—[REDACTED] business firms, engineering experts—and would then collate and distribute the materials to the appropriate users. [REDACTED]

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*Latin America*

As his lieutenants were negotiating [redacted] General Vandenberg himself undertook to settle with J. Edgar Hoover and the FBI the matter of operations in this hemisphere. OSS had been excluded from operating in the western hemisphere and the area reserved for the FBI on the grounds that the primary concern there had been protection of the United States against subversive activities. It was a field for counterespionage and security intelligence.

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[redacted] Counterespionage was thought of as a defensive measure quite distinct from aggressive positive intelligence, a safety device rather than a weapon of attack. To those accustomed to think of it in such terms, counterespionage or security intelligence should continue to be the business of the FBI, especially in geographical areas where it already had agents established.

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General Vandenberg did not think so. It was his conviction that he could not do his job as head of the national intelligence agency if other organizations were engaged in the same work. One was likely to expose the other. Hitler's system of intelligence had been easy to penetrate, he believed, because the parts of it so often interfered with each other. Either he or Hoover should withdraw from the field, and since the fifth NIA directive had assigned the DCI all organized federal espionage and counterespionage abroad, the Bureau should give way.

Mr. Hoover yielded to the request that the Bureau withdraw from Latin America. It would confine its activities to security intelligence within the United States and possessions, in line with the fifth directive of the National Intelligence Authority issued on July 8. In order to insure continuity in the takeover the NIA, meeting on August 7 with Acting Secretary of State Dean Acheson in the chair, decided that a letter should be sent to the Attorney General asking him to keep the personnel of the Bureau on duty in Latin America until replaced by CIG representatives, and such a letter went out over the signatures of the four NIA members. Hoover complied, insisting only that CIG could not employ the Bureau's Latin American staff.

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*Domestic Collection*

The value of information about foreign countries in the hands of American businesses, institutions, and individuals with connections abroad had long been recognized. The problem of correlating and reducing the overlapping efforts of government agencies with real or fancied interests in the information had not been persistently attacked. And not all investigators took the most productive approach to U.S. citizens seeking to do the government a favor. The attitude of policing rather than inquiry to obtain help has often characterized this activity.

General Vandenberg took up a report from the Central Planning Staff on the subject. His directive as drafted on July 22, five days after his first meeting with the National Intelligence Authority, provided that the DCI should maintain a "central contact control register" of persons and groups interviewed or to be approached as domestic sources of intelligence regarding other countries. This was an obvious service of common concern; yet it gave rise to objections.

The word "control" applied to the register already seemed to give the DCI undue power. Then it was further provided that field offices of CIG would do the work of collecting this particular kind of foreign intelligence information. The Departments of State, War, and the Navy were to make available whatever persons and facilities the DCI might require and take with him the steps necessary to carry out the operations. Through this first draft of the directive ran the idea that the DCI should supervise as well as direct and coordinate the activities.

Much in the way the Department of State had restricted Vandenberg's direction and control over research and analysis, War and Navy now insisted upon revising the directive on overt collection. The Navy had a register of its own. The Army, when Vandenberg had been its chief of intelligence, had appeared to favor a central control of contacts that would eliminate the confusion, annoyance, and embarrassment resulting when two or more agencies tried to use a source of information simultaneously. But now the Military Intelligence Division opposed the idea that CIG should control such a central register.

Kingman Douglass summed up the points of contention for Vandenberg on August 26 as they prepared to meet the Intelligence Advisory Board. The Army and Navy had not liked the powers of direction and supervision delegated to the DCI; these were functions of the secretaries and the Chiefs of Staff. The words "direct," "super-

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wise," and "control" had therefore been taken from the directive, leaving "coordination" alone and untrammelled. The services had to be satisfied too that the DCI would not have final authority in requisitioning military and naval personnel and facilities; the departments should still determine "availability." The Navy had to be assured, said Douglass, that there would be no interference with its own Special Observer Plan.

Douglass expected that the chief opposition in the IAB meeting would be to the establishment of inter-agency field offices and to the monopoly on briefing and interrogation of travelers which CIG sought for reasons of security and coordination. The field offices, with CIG officers in liaison with local headquarters of the Army, Navy, and Air Forces, would be objectionable because the participating agencies would lose control over their personnel to some degree. On the other hand, Douglass pointed out, they were not as well equipped as CIG to do the work. [He expected to have a staff of 25 or 30 in New York "to exploit American business on a full-time basis." Neither the Army nor the Air Forces could furnish such numbers; the Navy might be able to supply only one.]

The armed services had more to gain than to lose, Douglass said, by cooperating in the enterprise, but he was none too hopeful. He expected "various other unrelated objections for no other reason than to defeat the general purpose." There were officers in the Army who had plans for "a G-2 exploitation in this field" which did not include coordination with any other department.

At the IAB meeting on August 26 there was some discussion of the central register, now separated into two parts. One was to be the depository of all foreign intelligence acquired by the government, a tremendous undertaking even in prospect, and the other a careful record of the companies and persons interviewed by the intelligence agencies. An exchange of views on whether the "contacts" should be registered led to the opinion that they should be unless they insisted upon secrecy. Then William A. Eddy, Langer's successor, suggested and the IAB agreed that the briefing of private persons about to go abroad should not be performed "only by representatives of the Central Intelligence Group" but "by the agency making the contacts." If agreeable to the person interviewed, however, a CIG representative could be present and, upon request by a participating agency, CIG technical specialists as well.

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Thus the chance of eliminating competition in this field among the intelligence services was gone for the time being. The departments were not yet ready to give up their own facilities and rely on CIG for such a service of common concern. On the other hand, CIG was not deprived of the right to have a Contact Branch with field offices for domestic collection. Although the directive as finally accepted by the IAB on October 1 did not mention CIG collection, it provided for CIG field representatives to maintain liaison with intelligence officers in local headquarters of the Army, Navy, and Air Forces "through the medium of local inter-agency offices" and to effect for the DCI the coordination of such overt collection.

It was a loose and indirect statement, but it meant that any intelligence which the Director's field representatives obtained in liaison with the local officers of the services would be the legitimate by-product of the coordination. All intelligence acquired by the Government was to be deposited in the central register maintained by CIG. [Vandenberg could proceed with developing the office of Galway's "B" Deputy and Chief of Foreign Commerce as soon as he had overcome the more serious objections of the Federal Bureau of Investigation.]

#### investigations"

Vandenberg had sent his proposals to Hoover on August 21 and received a reply two days later by special messenger. At the same time Hoover expressed his opinions to Admiral Leahy, personal representative of the President in the NIA. He called Vandenberg's attention to section nine in the President's Directive of January 22 which specifically withheld "investigations inside the continental limits of the United States and its possessions," from the province of the DCI. Hoover would accept uniform procedures established by the DCI and would engage to transmit promptly any foreign intelligence gathered by the FBI in the course of its investigations of American businesses; but he would not accept control by the Central Contact Register. Instead, CIG should obtain clearance from the Bureau for its "investigations" within the country.

To Admiral Leahy, Hoover described Vandenberg's proposal as "invasion of domestic intelligence coverage" assigned by law to "sole responsibility" of the Bureau. If the proposed directive were to go into effect, he said, it would lead inevitably to "confusion, duplication of effort, and intolerable conditions to the detriment

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of the national well-being." Subsequent negotiation, however, softened this position.

James S. Lay, Secretary to the CIG, the IAB, and the NIA, submitted a memorandum to the DCI on September 3 to show the current FBI position and provide answers to Hoover's remaining objections. His representative on the IAB had now indicated that he would agree to the activities of the CIG domestic field offices if they confined themselves to "business concerns"; he would still object to the inclusion of other groups and persons for fear of conflict with the operations of the Bureau. The answer to Mr. Hoover in all cases, Lay suggested, was that the "investigations" he had in mind were for internal security, while what CIG was talking about were normal methods of collecting intelligence which the Army and Navy had employed within the country and out of it for years. If Hoover were assured that CIG would consult with the Bureau on the advisability of contacts with other than American business concerns any danger of conflict should be precluded.

The next letter from Hoover to Vandenberg, on September 5, narrowed the anxiety of the Bureau to foreign language groups and other organizations and persons in whom it was "primarily interested because of its responsibility in covering Communistic activities within the United States." The issue was beginning to clear. Mr. Hoover would be satisfied if the reference to "other non-governmental groups and individuals with connections abroad" were eliminated from the directive. The conflict now rapidly subsided. Mr. Hoover approved on September 23 the changes which General Vandenberg made at his request. There was no need even to stipulate that the Bureau had the primary interest in foreign nationality groups within the United States; this statement was stricken from the draft.

Vandenberg reported to the IAB on October 1 that he had reached agreement with Director Hoover of the FBI. CIG would not interfere with the Bureau's control over subversive activities in this country. And so the directive with regard to overt collection of foreign intelligence within the United States was adopted that day by unanimous consent. General Vandenberg, in a change of plan, proceeded to organize an Office of Operations to carry it out.

Kingman Douglass meanwhile had withdrawn from the CIG, and General Sibert was to take charge of all collection, clandestine and overt. As he arrived to do so, however, Vandenberg listened to the plea that secret collection should be kept separate under Colonel

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